

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

HRB Royalty, Inc.
v.
Blockbuster Tax Services, Inc.

Opposition No. 103,446
to application Serial No. 74/610,537
filed on December 13, 1994

Robert E. Mulloy, Jr. for HRB Royalty, Inc.

Thomas W. Roberts for Blockbuster Tax Service, Inc.

Before Cissel, Seeherman and Quinn, Administrative Trademark
Judges.

Opinion by Cissel, Administrative Trademark Judge:

The above-referenced application, as amended, seeks
registration of the mark shown below

on the Principal Register for "preparation of federal and
state income taxes," in Class 35. The words "BOOKKEEPING &

TAX SERVICE INCORPORATED" are disclaimed apart from the mark as shown. The application is based on applicant's claim of use of the mark in interstate commerce since November 25, 1994.

Following publication of the mark in the Official Gazette on July 2, 1996, a timely Notice of Opposition was filed on August 30, 1996 by HRB Royalty, Inc. As grounds for opposition, opposer asserted ownership of "service mark registration nos. 773,839, H & R BLOCK and design, for preparation of income tax returns for others, 1,085,665, H & R BLOCK INCOME TAX and design, for preparation of income tax returns for others; 1,270,198, H & R BLOCK and design, for preparation of tax returns for others and for conducting classes and courses in preparation of tax returns; and 1,502,530, RAPID REFUND H & R BLOCK and design, for electronic transmission of income tax return information." Opposer pleaded that its marks are famous, that it uses "H & R BLOCK" as its trade name, and that applicant's mark so resembles opposer's previously used name and previously used and registered marks that the use of applicant's mark in connection with the services specified in the application is likely to cause confusion. The Notice of Opposition further claimed that opposer is entitled to relief under Section 43(a) of the Lanham Act because the term "BLOCK BUSTER" constitutes a false statement under that section of the Act

and because applicant's mark "would dilute the distinctive quality" of opposer's marks.

Applicant's answer denied the essential allegations set forth in the Notice of Opposition.

In its brief, opposer contends that this case presents three issues: whether confusion is likely, whether applicant's mark is deceptive, and whether applicant has filed a fraudulent application. In fact, only the first issue is before the Board. Whether the mark is deceptive and whether the application was fraudulent were not pleaded by opposer as grounds for opposition, so these issues are not before us. See *Stephanus Freiherr Von Schorlemer v. Baron Herm. Schorlemer Weinkellerei GmbH*, 5 USPQ2d 1376 (TTAB 1986).

Opposer did not attempt to amend its pleadings to include these grounds, and the record does not support a claim that we should deem the pleading to have been amended with the consent of the parties to conform to the evidence, in accordance with Rule 15(b) of the Federal Rules of Civil Procedure.

Opposer's claims under Section 43(a) are not within the jurisdiction of this Board. *Electronic Water Conditioners, Inc. v. Turbomag Corp.*, 221 USPQ 162 (TTAB 1984). The only issue properly before the Board, therefore, is whether confusion is likely.

Only opposer took testimony and introduced evidence. Only opposer filed a brief. No oral hearing was requested, so we have resolved this matter based on the written record and arguments of opposer.

Opposer took the testimony (including exhibits) of Christopher Robin Meck, a vice president of opposer, and of George Eric Steinhouse, senior vice president of H&R Block Tax Services, Inc., which owns opposer, HRB Royalty, Inc. Also of record in this proceeding are the file of the opposed application, two of the registrations pleaded by opposer, and copies from articles published in the New York Times and The Kansas City Star which show the name "BLOCK" used in reference to opposer.

The two registrations made of record are for the marks shown below.

is registered¹ for "preparation of tax returns for others," and for "conducting classes and courses in preparation of

¹Reg. No. 1,270,198, issued to H & R Block, Inc, on March 13, 1984; combined affidavit under Sections 8 and 15 filed and accepted.

tax returns."

is registered² for "electronic transmission of income tax return information." The other two registrations pleaded by opposer in the Notice of Opposition have not been considered because they were not made of record.

Based on careful consideration of opposer's record and arguments, we hold that confusion is likely. Although this record does not support finding confusion likely between applicant's mark and opposer's "Rapid Refund" and design mark because of the relative obscurity of the "H & R BLOCK" portion thereof, opposer has established that its "H & R BLOCK" service mark and trade name are famous, that applicant's mark is similar to opposer's "H & R BLOCK" trade name and mark, and that the services with which the parties use their respective marks and opposer uses its trade name are identical. Under these circumstances, confusion is likely.

²Reg. No. 1,502,530, issued to H & R Block, Inc. on August 30, 1988; combined affidavit under Sections 8 and 15 filed and accepted.

Opposer's use of the trade name "H & R BLOCK" and the "H & R BLOCK" and design registered mark is through various licensees. The use and promotion of the name and the "H & R BLOCK" mark are immense by any standard. The record establishes that for the three-year period from 1994 through 1996, opposer spent approximately \$60 million advertising its tax preparation services under its name and registered marks, and that this generated income of \$2,447,649,000.00 for opposer. Income from electronic filing fees generated in connection with these services adds another \$521,389,000.00 to the amount of revenue generated under the marks. Opposer has clearly established that its name and "H & R BLOCK" mark are famous in the field of tax preparation.

As our primary reviewing court noted in *Kenner Parker Toys Inc. v. Rose Art Industries Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992), the fame of the prior mark plays a dominant role in determining the issue of likelihood of confusion in cases where the prior mark is in fact a famous or strong mark. Further, in *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 877, 23 USPQ2d 1698, 1700, (Fed. Cir. 1992), the Court restated the rule that there is an inverse relationship between the fame of a mark and the Lanham Act's tolerance for similarity in competing marks, and the Court reiterated the principle that "when marks would appear on virtually identical goods or

services, the degree of similarity necessary to support a conclusion of likely confusion declines."

In the case at hand, applicant's mark is similar to opposer's famous trade name and to its service mark, "H & R BLOCK," and the services with which applicant uses its mark are identical to the services for which opposer's mark is famous.

As has been stated many times by the courts and by this Board, there is no excuse for even getting close to the well-known mark of a competitor. All doubt as to whether confusion is likely must be resolved against the newcomer, especially in cases where the prior mark is established to be famous. *Kenner Parker Toys, supra*.

Applicant's mark prominently features the name "BLOCK," which is the dominant portion of opposer's famous trade name and service mark, "H & R BLOCK" and design. "BLOCK" and "BUSTER" are both displayed in bold typeface several times larger than any of the other words, all of which also have less significance because they are descriptive (and hence disclaimed) terms as used in connection with applicant's bookkeeping and tax service business. Of the two largest words, it is "BLOCK" which is first to be read, and "BUSTER" is not only shown after "BLOCK," it also is presented in less legible form by having its letters slanted one direction or the other, so that it looks like the fist which

has punched through the brick wall has also knocked the letters in "BUSTER" askew.

Not only is "BLOCK" the dominant part of opposer's name and mark, the newspaper articles submitted by opposer show that opposer is referred to as "Block" by the media. The ordinary consumers who are the prospective purchasers of tax preparation services are likely to be confused by the prominent display of this famous name and mark in the mark applicant seeks to register. That is, when these similar marks are used in connection with services which are identical, confusion is likely.

The case now before us is similar to *Blue Cross and Blue Shield Association v. Harvard Community Health Plan, Inc.*, 17 USPQ2d 1075 (TTAB 1990), wherein confusion was held to be likely between applicant's mark, "The Cure for the Blues," for health care services, and the famous marks "Blue Cross" and "Blue Shield" for the same services. The services were identical, and the reference to the famous mark was clear. The subsequent case of *In Anheuser-Busch Inc. v. The Florists Association of Greater Cleveland Inc.*, 29 USPQ2d 1146 (TTAB 1993), went even further. There, registration of "THIS BUD'S FOR YOU" for fresh-cut flowers, blooming and non-blooming live plants was refused because of the likelihood of confusion with the famous marks "BUD" and "THIS BUD'S FOR YOU" for beer and malt liquor. In contrast

to the Blues case and instant case as well, the goods in the Anheuser-Busch case were not even related, much less identical.

In the case now before us, the newcomer's reference to the famous name and service mark of a leader in the same field of commerce does not distinguish the newcomer's services from those of its famous competitor. Indeed, as it did in the two cases cited above, in the instant case the reference to the famous mark suggests that applicant's services are connected in some way with the owner of the famous mark extensively used and promoted by the leader in the field. Section 2(d) of the Act precludes registration when this is established, as opposer has done in the case now before us.

We harbor no doubts that confusion is likely in this case, but we note that if we did, any such doubts would necessarily have to be resolved in favor of opposer as the prior user and registrant, and against applicant. In re Apparel, Inc., 578 F2d 308, 151 USPQ 353 (CCPA 1966).

In summary, confusion is likely in the instant case because applicant's mark is similar to opposer's famous trade name and service mark, and the services with which

applicant uses its mark are identical to opposer's services.
Accordingly, the opposition is sustained.

R. F. Cissel

E. J. Seeherman

T. J. Quinn
Administrative Trademark Judges
Trademark Trial and Appeal Board